



ENERGY ASSURANCE DAILY

Friday Evening, March 18, 2016

Electricity

Storms Knock Out Power to Over 11,000 Entergy Customers in Mississippi March 17

Strong thunderstorms knocked out power to over 11,000 Entergy customers in Mississippi on Thursday. Numerous reports of downed trees and power lines contributed to the outages. As of 3:30 p.m. EDT Friday, 5,235 customers remained without power.

http://www.etrviewoutage.com/external/ms.aspx?_ga=1.221072283.2004688020.1454947100
<http://www.wdam.com/story/31498409/over-11-thousand-without-power-due-to-severe-storm>

Exelon's 1,163 MW Byron Nuclear Unit 1 in Illinois Reduced to 55 Percent by March 18

On the morning of March 17 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

Update: SCE's 200 MW Eastwood Hydro Unit in California Returns to Service by March 17

The unit returned from an unplanned outage that began on March 16.

<http://content.caiso.com/unitstatus/data/unitstatus201603171515.html>

Petroleum

Update: Power Failure, 2 Unplanned Breakdowns Delay FCCU Startup Activities at ExxonMobil's 149,500 b/d Torrance, California Refinery March 16–18

ExxonMobil Corp on Friday reported another unplanned flaring event due to an unspecified breakdown at its Torrance, California refinery—the second reported flaring and breakdown incident since a March 16 power outage upset operations at the facility, according to state regulatory filings. Also on Friday, the company confirmed that the power failure delayed critical startup activities, including the restart attempt of the refinery's crippled fluid catalytic cracking unit (FCCU), which was planned to commence on March 15. The breakdowns and delays strike at an inopportune time as the company prepares to transfer ownership of the facility to PBF Energy in an acquisition that was anticipated to close during the second quarter of 2016. Once startup activities are underway, the FCCU restart is expected to last 35 days, including a 15-day period in which ExxonMobil must show the unit is fully operational before transferring ownership. A PBF Energy spokesperson said the company expects the transaction to close in the second quarter of 2016, subject to customary closing conditions, regulatory approvals, and the refinery being restored to full working order.

Reuters, 12:39 March 18, 2016

Reuters, 3:03 March 18, 2016

Shell Shuts FCCU Due to Naphtha Leak at Its 316,600 b/d Deer Park, Texas Refinery March 16 – Sources

The 70,000 b/d fluidic catalytic cracking unit (FCCU) at Royal Dutch Shell Plc's Deer Park, Texas, refinery has been out of production since Wednesday night when a leak of naphtha was discovered from an elevated pipeline on the unit, sources familiar with plant operations said on Thursday. The FCCU has been kept at operating temperature and circulating gas oil feedstock while Shell works to repair the leak of naphtha in an overhead line on the FCCU, the sources said. The cause of the leak was initially determined to be corrosion under insulation, according to Shell.

Reuters, 18:48 March 17, 2016

Reuters, 20:48 March 17, 2016

PES Reports Flare 1231 Restart at Its 335,000 b/d Philadelphia, Pennsylvania Refinery March 14

Philadelphia Energy Solutions (PES) restarted flare 1231 at the Girard Point section of its Philadelphia, Pennsylvania refinery on March 14.
Reuters, 12:04 March 18, 2016

Tesoro Reports Compressor Shut at Its 120,000 b/d Anacortes, Washington Refinery March 11

Tesoro Corp reported the accidental shutdown of the flare gas recovery compressor at its Anacortes, Washington refinery on March 11, according to a filing with the Northwest Clean Air Agency.
Reuters, 14:28 March 18, 2016

Natural Gas

CPUC Commissioner Directs SoCalGas, SCE to Enhance Energy Savings Assistance Program Efforts in Attempt to Mitigate Regional Natural Gas Impacts March 14

On March 14, the California Public Utilities Commission (CPUC) promptly directed Southern California Gas Company (SoCalGas) and Southern California Edison (SCE) to enhance their Energy Savings Assistance Program (ESAP) efforts in areas most impacted by the anticipated natural gas shortages and electric generation curtailments resulting from the nearly 4-month leak at SoCalGas' 86 Bcf Aliso Canyon storage facility. Commissioner Sandoval's Ruling aims to mitigate energy impacts to the most vulnerable households and assure natural gas reliability in Southern California. For households meeting certain income guidelines, ESAP provides no-cost weatherization services, including water heater system replacement, residential gas furnace replacement, and other measures that reduce natural gas use. The Commissioner's Ruling also emphasizes that while the full extent of natural gas reliability remains unknown, it is highly likely that a shortage could lead to a local price increase, or to curtailments of natural gas supply, including hospitals and electric generation stations. The Commissioner warned that demand for electric generation from natural gas-fired power plants will increase as the region shifts toward its peak electric demand periods in the summer and fall months. The hottest days in the Los Angeles basin often occur during the summer, but also in September and October. California's natural gas-fired power plants are increasingly being used to generate electricity during the late afternoon and evening peak, particularly when other renewable energy sources are unavailable. The Commissioner upholds that the deployment of these demand side measures is an important strategy for minimizing consumer delivery impacts and price increases.

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M159/K581/159581266.PDF>

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M159/K361/159361680.PDF>

TransCanada to Buy Columbia Pipeline Group, Expanding Reach in U.S. Natural Gas Market

TransCanada Corp. agreed to buy Columbia Pipeline Group Inc. for \$10.2 billion, expanding its reach in the U.S. natural gas market. The deal gives TransCanada more than 15,000 miles of natural gas pipelines as well as underground storage and processing facilities owned and operated by Columbia, adding a position in the Marcellus and Utica shale regions. Headquartered in Houston, Texas, Columbia Pipeline Group (CPG) owns and operates more than 15,000 miles of strategically located interstate pipeline, gathering and processing assets extending from New York through the western Appalachian region to the Gulf of Mexico, integrated with one of the largest underground natural gas storage systems in North America.

<http://www.transcanada.com/announcements-article.html?id=2035550&t>

<https://www.cpg.com/>

DOT Proposes New Safety Rules for U.S. Natural Gas Pipeline Network March 17

The Department of Transportation (DOT) on Thursday proposed to strengthen safety rules for the nation's 300,000-mile network of natural gas transmission pipelines in response to numerous fiery accidents. DOT's proposal would expand inspection and repair rules to include pipelines in some rural areas and recently-installed pipelines in burgeoning gas drilling fields. Pressure-testing for leaks would be required on older lines that were previously exempt. In the past two decades, the government has recorded more than 2,000 accidents on gas transmission lines across the U.S., which resulted in 46 deaths, 181 injuries, and \$1.8 billion in damages.

<https://www.transportation.gov/blog/phmsa-proposes-refresh-gas-pipeline-safety-regulations>

Reuters, 23:32 March 17, 2016

Other News

Nothing to report.

International News

Venezuela to Shut Down for a Week to Cope With Electricity, Water Crisis

Venezuela is shutting down for a week as the government struggles with a deepening electricity crisis. President Nicolas Maduro gave everyone an extra three days off work next week, extending the two-day Easter holiday, according to a statement in the Official Gazette. Maduro had originally said over the weekend that the extended holiday would only apply to state employees. The government has rationed electricity and water supplies across the country for months and urged citizens to avoid waste as Venezuela endures a prolonged drought that has slashed output at hydroelectric dams. Last week, the energy minister warned that water levels at the Guri Dam, one of the country's principal sources of power, had reached critical levels.

<http://www.bloomberg.com/news/articles/2016-03-16/venezuela-to-shut-down-for-a-week-as-electricity-crisis-mounts>

Iraq Halts Pipeline Exports through Kurdistan in Attempt to Pressure Revenue Sharing Talks – Iraq Oil Report

Iraq's central government stopped oil exports through the Kurdish region to pressure the local authorities to resume talks about an oil revenue sharing agreement, an Iraq Oil Report said, citing Iraq's Oil Minister. Iraq's state-run North Oil Company (NOC) stopped pumping crude produced at fields it operates in the Kirkuk area through a pipeline to Turkey, three sources told Reuters on March 14. NOC normally exports 150,000 b/d through the pipeline that delivers to the Mediterranean port of Ceyhan. The pipeline also carries oil produced in the Kurdish region, which is sold independently from the central government.

Reuters, 18:18 March 17, 2016

Update: Colombia's Ecopetrol Declares Force Majeure on Three Crude Shipments after Pipeline Attacks

Ecopetrol declared force majeure on three shipments of crude after rebel attacks along Colombia's 210,000 b/d Cano-Limon Covenas pipeline halted pumping operations, the state oil company said on Thursday. Two attacks were carried out by the National Liberation Army over the weekend in rural areas of northern Norte de Santander and Arauca provinces, police and military sources have said. Another attack occurred on Thursday in Arauca near the border with Venezuela.

Reuters, 17:34 March 17, 2016

Energy Prices

| U.S. Oil and Gas Prices | | | |
|-------------------------------------|-------|----------|----------|
| March 18, 2016 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL | | | |
| West Texas Intermediate U.S. | 39.42 | 38.46 | 44.58 |
| \$/Barrel | | | |
| NATURAL GAS | | | |
| Henry Hub | 1.82 | 1.70 | 2.77 |
| \$/Million Btu | | | |

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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